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What The Papers Say (Russia)

March 28, 2000, Tuesday

**SECTION: PRESS EXTRACTS**

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**HEADLINE:** THE WAR COFFERS OF THE CHECHEN TERRORISTS

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**HIGHLIGHT:**

WHY ARE CHECHEN TERRORISTS, CURRENTLY HARD-PRESSED BY THE ARMED FORCES OF SUCH A LARGE STATE AS RUSSIA, STILL CAPABLE OF FIGHTING? AT WHOSE EXPENSE ARE THEY REPLENISHING THEIR ARSENALS? THE ANSWER TO THESE QUESTIONS IS OFFERED BY DR. ANATOLY OVCHINSKY AND DR. VLADIMIR OVCHINSKY, WHO ARE RESEARCHING INTERNATIONAL TERRORISM IN CHECHNYA.

**BODY:**

We tried to construct a model of international terrorism established in Chechnya by the Dudaev and Maskhadov regimes. We paid special attention to calculations of the funds accumulated by terrorists in order to finance various levels of their destructive activities. Table 1 shows that as the spheres of terrorists' activities grow more and more complicated, their financial resources are steadily increased.

Analysis of the dynamics of these processes has shown that the basic funds were received during the first two levels of destruction, namely the level of destroying social infrastructure and undermining the economic foundations, not only in Chechnya but also in Russia as a whole. As early as 1991-92 over 1,200 murders for gain were committed in Chechnya, their aim being to seize property and money. This murder rate is ten times higher than in 1989-90. Since then, murdering for money or property and hostage-taking for ransom have become the basic elements of securing funds for the upper (in our table - lower) levels of terrorist activities. These practices spread to all of Chechnya and republics adjacent to it. In the next few years the number of major crimes committed for gain grew steadily in Dagestan, Kabardino-Balkaria, Ingushetia, North Ossetia, and the Stavropol Territory. According to official reports, from 1995 until the beginning of the invasion of Dagestan in the fall of 1999, over 1,700 people were kidnapped in the North Caucasus (according to unofficial sources, over 2,000 people were kidnapped there over that period of time). The ransom demands fluctuated from \$10,000 to over \$1 million per victim. Thus, the terrorists might have received \$200-300 million from kidnappings alone.

A substantial amount of funds was gained by the terrorists under the Dudaev regime, by robbing trains on the Grozny stretch of the North Caucasus Railroad. During 1993-94 alone, the aggregate damage from this sort of gangsterism exceeded \$4 million.

On the second, economic level of destruction the major sphere of terrorists' business became illegal sales of oil and oil products. In 1991-94 no less than 40 million tons of oil was sold. All the money gained was spent on purchasing arms, creating terrorist bases and training camps, and establishing international contacts.

During the same period, the terrorist coordination centers organized and carried out embezzlement on an unprecedented scale (no less than \$600 million) using letters of credit and "Russia" checks. Simultaneously, Chechnya became the major transfer point for smuggling diamonds and gold stolen from Russian mines.

The mechanisms of accumulating funds for the terrorist coffers covered practically all the major Russian financial and economic centers. Prior to the beginning of the first Chechen campaign, no less than 20% of the Russian banking system, including banks based in Moscow, was under full control of terrorists.

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By the end of 1994 the sums collected by these means could already provide for the other levels of destruction, namely political destabilization in Russia, disintegration of this country's state system and spiritual foundations, and also disruption of established international relations. At that time, international Islamic extremist centers and transnational companies competing with Russia had already recognized the terrorist regime in Chechnya as an equal partner for the purpose of attaining their geostrategic goals. According to expert appraisals, in 1994 and 1995 the Chechen regime received between \$1.5 billion and \$2 billion from foreign NGOs exclusively for terrorist operations to disrupt the flow of oil.

After the 1996 Khasavyurt oil agreements the Maskhadov regime started to receive assistance from two directions at once – from the ideologists of the so-called "Universal Islamic Revolution" for the purpose of creating a united Islamic state in the Caucasus, and from transnational financial structures for the purpose of establishing control over the routes of Caspian oil. The fulfillment of these two plans required investments of tens of billions of dollars into the Chechen terrorist regime, but those investments were meant to bring in profits of hundreds of millions of dollars within a few years.

According to the terrorists' plans, using such great sums should have completely split the entire North Caucasus from Russia, created an analogous Islamic state in the Volga area, and established full control over diamond and gold extraction in Russia and no less than 50% of the entire Russian banking system.

Table 1

The amount of terrorists' financial resources depending on the sphere of their activities. The complication of the spheres increases from top to bottom, so do the resources.

1. Social terrorism: \$1,000

destruction of the foundations of society

(kidnapping, trafficking and sexual exploitation of women, gangsterism, blackmail, slavery);

2. Economic terrorism: \$10 million

undermining the economic infrastructure

(corrupting the branches of power, financial fraud, embezzlement of state funds);

3. Political terrorism: \$100 million

political destabilization (separatism, nationalism);

4. State terrorism: \$1 billion

disintegration of the state system

(establishing zones of piracy, local wars, gangster invasions);

5. Moral terrorism: \$10 billion

attacks on morale

(information terrorism, religious expansion, deideologization);

6. International terrorism: \$100 billion

destruction of international relations

(abolition of credits, closing down oil transport routes, import and export embargoes, deprivation of investments).

Table 2

International sponsors of Chechen terrorists (1991–2000)

Albania: Mak-Albania, Vakefi Islamik, Teliba, Al-Kharamain;

Algeria: the Islamic Salvation Front (IFS), the Armed Islamic Group;

Afghanistan: the Taliban movement, the Islamic Party of Afghanistan, the Al-Kaida (Support) organization;

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Bosnia & Herzegovina: the Organization of Bosnian Muslim Youth, the Oil Travnik factory and the Baddar Bosna combine, the BiG Information and Documentation Agency;

Bulgaria: the Movement for Rights and Freedoms, the Supreme Muslim Council;

Germany: the German-Caucasus Society, the Herbera firm;

Great Britain: the London branch of Vainakh, International Alert, the Emigrant Movement, Info Software 2000 Ltd., the Center of Islamic Education;

Egypt: Al-Jihad-Al-Islamii, Al-Jihad;

Iran: the Nakshbandia Sufi cult, the Kaderia Sufi cult, the Adherents to Sunna organization;

Jordan: the Islamic Salvation Front (FIS), the Chechen and Caucasus-Circassian communes, a branch of the Persian Gulf Bank, the Islamic Liberation Party, the Circassian Charity Society;

Kuwait: the Society for Social Reforms, the Kuwaiti Charitable Organization for Restoration of Islamic Heritage, the At-Tablig val-Irshad organization, the Islamic Constitutional Movement, the Asian Muslim Committee, the Teiba charity foundation;

Lebanon: the Organization of Islamic Ulems,

Morocco: the Islamic Conference,

Pakistan: Djaamat-I-Islami (Djaama Islamiya), Djaamat-e-Ulema Islam-DUI, the Society of Pakistani Ulems, the Association of Pakistani-Chechen Friendship, the World Jihad Front, the Safa organization, the Allah's Grace organization, the Mojaheddin Movement, the Forces of Victory group, the Youth Wing association;

Palestine: Hamas, Al-Jihad al Ismyamii, the "Irreconcilable" groups, Djamaa Islamiya va Taukhid, Asbat al-Ansar, Djaamat al-Irshad, Djamaat al-Ittikhad;

Poland: the Chechen Information Center, the Poland-Chechnya Committee;

Qatar: the Qatar Charitable Society;

Saudi Arabia: the International Islamic League, Djamaat-ad-Dagestaniin-al-Kudama, the Muslim Brothers, the Islamic Congress, the Committee for Assistance with Victory of the Dagestani Muslims, Daava Islamiyi, the Al-Kharamain the Two Relics Foundation, Al-Igasa (the International Islamic Organization for Salvation), the International Assembly of the Islamic Youth;

Turkey: the Shamil Foundation, Djamaat-ad-Dagestaniin-al-Atrak, the True Way organization, the Hearths of Islamic Order organization, the Middle-East Turkic Union, the Foundation of Friendship between Turkey and Saudi Arabia;

United Arab Emirates: the regional bureau of the Daava Islamiya Islamic Slogan organization;

US: the Caucasus-American Chamber of Commerce and Industry, the Islamic Banking Group in Chechnya, the Supreme Islamic Council of America;

Yemen: the Islakh party, the Group of Salvation.(Translated by Andrei Bystrov)

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